

Thursday, May 20, 2021
To: New York Community Banks

FROM ICBA

New Bitcoin primer for community bankers

A new [Main Street Matters post](#) provides community bankers a primer on Bitcoin and what it means for the financial services industry.

Details: The post from ICBA's Brian Laverdure covers the origins of Bitcoin, how it works, and its impact on the growing adoption and acceptance of digital currency.

More: "Bitcoin has expanded beyond its mysterious origins to become a complex force for innovation in financial services that will ultimately have a dramatic impact on community bank operations," Laverdure writes.

[READ THE POST](#)

Credit unions in focus at House hearing

At a House Financial Services Committee [hearing](#) featuring testimony from prudential regulators, lawmakers expressed concerns about credit union practices, including acquisitions of community banks.

Acquisitions: During the hearing, housing subcommittee Ranking Member French Hill (R-Ark.) asked FDIC Chairman Jelena McWilliams if she is concerned with credit union acquisitions of community banks, including the recent VyStar Credit Union interstate acquisition of Heritage Southeast Bank. McWilliams said she is concerned with these acquisitions, especially in underserved communities.

Practices: Separately, Chairman Maxine Waters (D-Calif.) asked National Credit Union Administration Chairman Todd Harper about the impact of credit union wage garnishments on their reputational risk and credit union efforts to prevent foreclosure. Harper said credit unions have worked with customers to support access to stimulus funds and that his agency is encouraging prudent mortgage loan workouts.

CUSOs: Harper also testified on behalf of ICBA-supported legislation to expand oversight of credit union service organizations (CUSOs) and other third-party vendors. In his oral and written testimony, Harper asked Congress to consider draft legislation to grant it authority over these companies.

Background: CUSOs are owned by credit unions but are not mutually owned, member owned, required to serve credit union members, or overseen by credit union laws and regulations. Instead, they're privately owned and often for-profit businesses.

Taking Action: ICBA—which has raised the profile of credit union concerns via its Wake Up campaign—encourages community bankers to use its customizable [message to Congress](#) urging a full hearing on credit union acquisitions and oversight.

Credit union acquisition leads to community bank branch closure

One of the latest acquisitions of a community bank by a tax-exempt credit union will result in at least one branch closure, according to a new report.

Details: Citing a statement from \$3.6 billion-asset United Federal Credit Union following its acquisition of \$221 million-asset Edgewater Bank in Michigan, the Credit Union Times [reported](#) that one of the community bank's five branches will be consolidated—a 20 percent decline.

Background: The report follows last week's ICBA and Community Bankers Association of Georgia [comment letter](#) urging the FDIC to reject a proposed Community Reinvestment Act merger, which would exacerbate branch consolidation and roll back regulatory safeguards for low- and moderate-income consumers.

Trend: ICBA has repeatedly raised concerns over the largest, growth-oriented credit unions using their taxpayer-funded subsidy to acquire community banks and reduce access to local financial services in many communities.

Resources: ICBA continues offering a [customizable op-ed](#), [updated talking points](#), and a custom grassroots [message to Congress](#) urging a hearing to investigate credit union acquisitions of community banks.

FROM OTHER SOURCES

- Fed Vice Chair for Supervision and Regulation Randal Quarles said at the House Financial Services Committee prudential oversight hearing that the Fed is monitoring inflation, but noted that history shows "the economy is unlikely to undergo these inflationary pressures for a long period of time." Republican lawmakers on the panel repeatedly questioned Quarles on inflation, citing rises in consumer prices. https://www.nytimes.com/2021/05/19/business/economy/federal-reserve-quarles-inflation.html?mkt_tok=ODUwLVRBQS01MTEAAAF9KKnnU6urSJOP2TeBKuhP8VBq1IXIgVLkATcVUWVm-ZyNr02bO-6KejR-VIH1RR-qx6wiKee-1NRqxaLqmsDvbi14CpC9V-FK0gPsWP75VPJQ
- Business is now the most trusted institution in the world, Axios' Sara Fischer [writes](#) from a midyear [Edelman Trust Barometer](#) report, "A World in Trauma." Companies assumed that role during the pandemic, when people realized governments couldn't develop and roll out vaccines alone. People now expect corporations and CEOs to keep focusing on big social and political issues, even after the pandemic.
- The first Americans to be vaccinated against the coronavirus could require a third "booster" shot as early as September, the CEOs of Pfizer and Moderna told Axios. https://www.axios.com/coronavirus-vaccines-boosters-pfizer-moderna-e8d6bed6-8238-4e52-9959-ca4c6a6e0d5a.html?mkt_tok=ODUwLVRBQS01MTEAAAF9KLcfXpqIWOJK9EhExuH5fdYkWz4Jik1DEe-LLE5CVegJp6vGQNfn_83fado7pJ6nIvAYdXD_Ia3qGcT5MqADh4E8agt5N4brqRtZliyLMvcev
- COVID infections continue to plummet across the U.S., Axios' Sam Baker and Andrew Witherspoon [report](#). Experts have warned many times over the past year that it wouldn't be safe to rush back into pre-pandemic life without containing the virus. Now, we're containing the virus. The U.S. averaged about 30,000 cases per day over the past week. The progress is happening remarkably fast, and across the board. It was just last week that average daily cases dropped below 40,000, for the first time in months. This week's figures are a 20% improvement over last week. The bottom line: This is all happening because of the vaccines. The more people get vaccinated, the better it'll get. [Share this map](#).
- A new study by the Peter G. Peterson Foundation found that as of early May 2021, the federal government has enacted legislation to provide about \$850 billion of Economic Impact Payments, also referred to as [stimulus checks](#), to taxpayers. Those payments helped mitigate the loss of employment-based income for many households and temporarily eased the economic damage from the pandemic. The way in which Americans have been spending that money has differed across each round of payments, and below, we explore how those spending patterns differ and how they may affect the economy. https://www.pgpf.org/blog/2021/05/how-did-americans-spend-their-stimulus-checks-and-how-did-it-affect-the-economy?mkt_tok=ODUwLVRBQS01MTEAAAF9KLcfXZYLWu1ZKTGQtWJUibibChKHhfHBdcwQNN8RDeIBKGhbQYfH949_h6RLEHD-vvZ8rC3fHXwintPl8ofh1-FK16B14dhxMN54sHTABHRFH

FROM NEW YORK

- New York City coronavirus infections have fallen to their lowest point in seven months, with all of the numbers the city monitors dipping into the range public health officials consider acceptable for the first time since October. The new numbers come on the same day New York state lifted most of its remaining pandemic restrictions — with no more capacity limits on businesses and no government mask mandate for fully vaccinated New Yorkers. <https://www.politico.com/states/new-york/albany/story/2021/05/19/nyc-covid-19-numbers-hit-low-point-as-restrictions-lift-1383016?nname=new-york-playbook&nid=0000014f-1646-d88f-a1cf-5f46b74f0000&nrid=00000152-f737-dcf0-a7d7-f73fb7700001&nlid=630317>
- To mask or not to mask? That is the question many businesses and even customers are asking. The state's new guidelines allowing for fully vaccinated New Yorkers to keep their mask off indoors went into effect Wednesday, but businesses still have the final say. [Read More](#)
- Capacity limits put in place last year to prevent the spread of the COVID-19 pandemic will be eased in the State Senate and Assembly chambers, but lawmakers and staff will still be asked to wear masks inside the chambers out of caution. The state Capitol building itself remains closed to the public. <https://nystateofpolitics.com/state-of-politics/new-york/ny-state-of-politics/2021/05/19/for-now--state-lawmakers-will-keep-masks-on>
- New York lifted many capacity restrictions Wednesday so that most businesses – restaurants, stores, salons and gyms – can return to 100% capacity, but only if they can still maintain 6 feet of distance between individuals or groups, [The New York Times reports](#).
- [The federal investigation into Gov. Andrew Cuomo](#) has widened to include the testing for COVID of those close to him during the early days of the pandemic.
- [A federal watchdog report](#) finds New York nursing homes had "long COVID" illnesses in the facilities.

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IBANYS will continue to provide updates as additional information becomes available. Thank you all for your continued participation and support.

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